

Preserving the Past...

Envisioning the Future



Financial Indicators

Financial Conditions
Community Profile and Trends
Economic Indicators
Major Revenue Sources



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FINANCIAL CONDITIONS INDICATORS

The information contained on the following pages has been developed and included in this document in order to provide a long-range picture of the County's financial condition. Introducing a long-range strategic planning aspect to the budget process is another method of ensuring that Lake County establishes its fiscal and annual policies with a clear vision of how they will affect the future.

The Board of County Commissioners has always reviewed individual expenditure patterns and revenue collections and projections (micro-economic indicators) prior to starting the budget process. This type of data is a necessary and valuable tool during the budget development process; however, it does not provide a macro perspective of the County's future financial position.

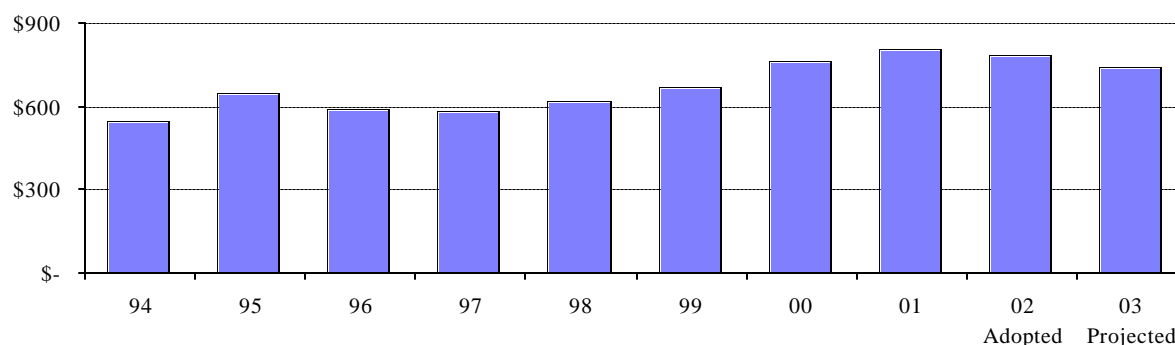
The financial indicators used in this section have been identified by the International City Managers Association (ICMA) as the factors that should be used by local governments, and are also used by private financial rating agencies to evaluate a government's ability to sustain debt service.

The primary advantages these macro-economic indicators offer are: (1) budget decisions are made with a better understanding of the overall financial health of the County; (2) emerging trends and problems are identified; and (3) when combined with the micro factors, the Board is able to determine how best to provide the level and quality of services required for the safety, health and welfare of the community.

The economic indicators have been separated for purposes of clarification. Each indicator is complete with a trend analysis in graphic form and a brief explanation of the impact each individual factor has on the County's future. It is important to note that the financial condition information contained in this section only illustrates the emerging or existing trends and does not attempt to explain why the trends are occurring. On the other hand, it does provide clues about potential problems and provides enough advance notice to be able to take action to correct or mitigate the impact of any possible problems.

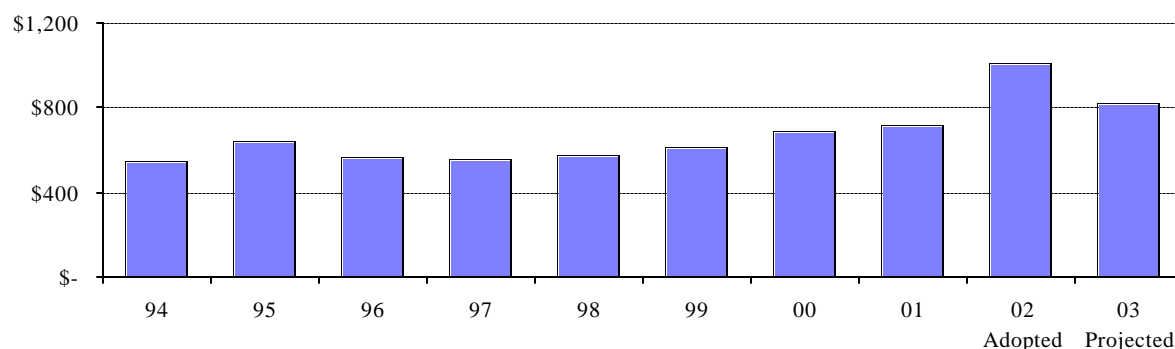


REVENUES PER CAPITA Operating Revenues Per Capita

**Formula: Operating Revenues Divided by Population**

Analysis: Examining per capita revenues shows changes in revenues relative to changes in population size. As population increases, it is expected that revenues and the need for services will increase in a direct relationship and, therefore, the level of per capita revenues should at least remain constant. If per capita revenues are decreasing, it will be impossible to maintain the existing level of services, unless new sources of revenues and ways of trimming expenses are found. This reasoning assumes that the cost of services is directly related to population size. The increases in 1995 and in 1998 through 2000 are primarily due to 7 to 9% increases in assessed taxable property. In Fiscal Year 2001, the General Fund millage rate increased from 4.733 to 5.117 mills. The slight decline in Fiscal Year 2003 is due to the anticipation that the extra penny tax referendum may not pass.

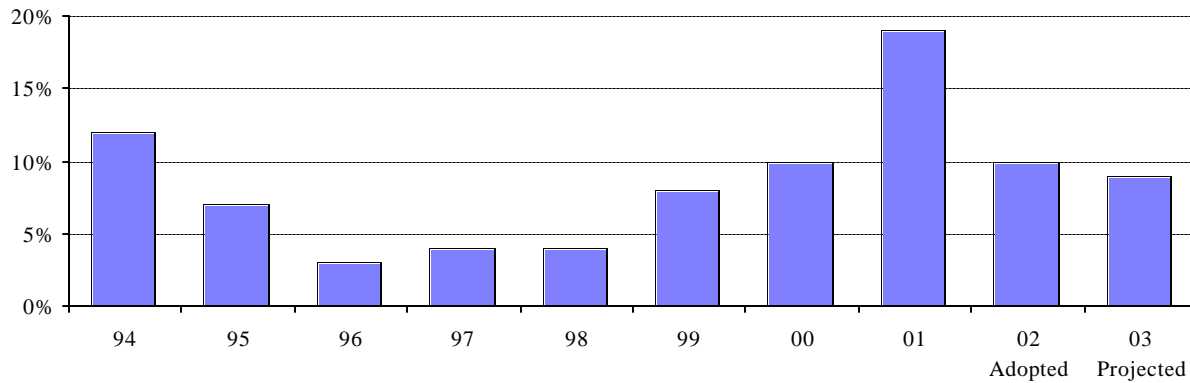
EXPENDITURES PER CAPITA Operating Expenditures Per Capita

**Formula: Operating Expenditures Divided by Population**

Analysis: Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. From a different perspective, if the increase in spending is greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity or that the government is spending more real dollars to support the same level of services. The large increase in the Fiscal Year 2002 budget is related to road projects and sales tax-funded projects planned for several years and now scheduled to be built. Considering the increased State mandates and other issues, Lake County appears to be controlling costs while providing adequate levels of service.



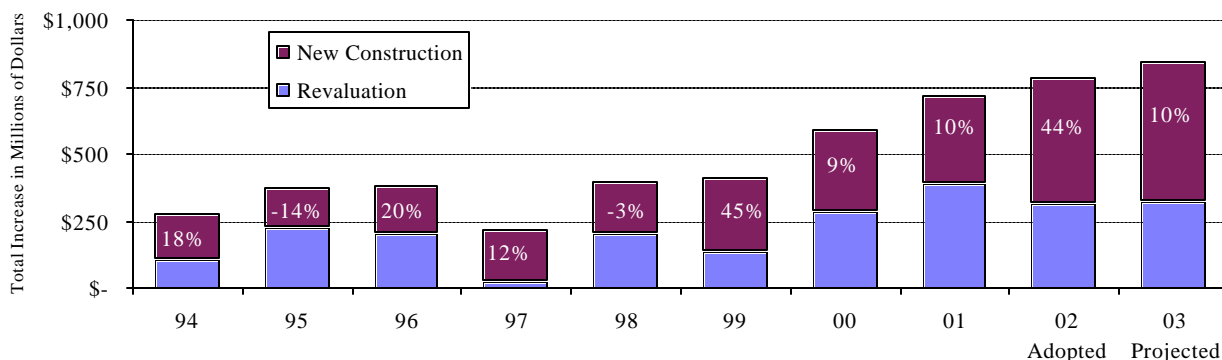
GENERAL FUND PROPERTY TAX REVENUES
Rate of Change in Countywide Property Tax Revenues



Formula: Current Year Minus Prior Year Divided by Prior Year

Analysis: Property tax revenues should be considered separately from other revenues because Lake County relies heavily on this revenue source. A decline or a diminished growth rate in property taxes can result from a number of causes. First, it may reflect an overall decline in property values resulting from the aging of buildings, a decline in local economic health, or a decline in the total number of households, which can depress the housing market. Second, it may result from inconsistent assessment or appraisal. While the trend in this indicator appears positive, the state-mandated ceiling on millage rates plays a role in keeping the rate of change low. This chart reflects low ratios in 1996 through 1998, years in which the Board of County Commissioners adopted rolled-back millage rates. Growth in the County accounts for the increase in 1999 and 2000, and in 2001 the millage rate was increased to fund libraries and safe

ASSESSED TAXABLE VALUE
Rate of Change in Assessed Taxable Value of New Construction

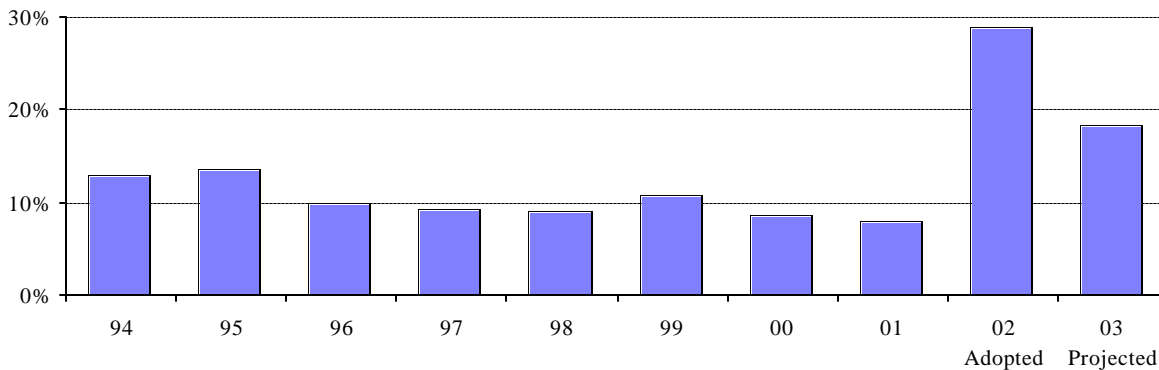


Formula: Current Year Minus Prior Year Divided by Prior Year

Analysis: A further look at the growth taxable value of new construction in Lake County reveals steady growth since 1994, with minor exceptions. Fiscal Year 2001 was a banner year, with a 44% increase in taxable value of new construction. This picture clearly indicates the challenges of the County to maintain a quality level of service for our citizens.



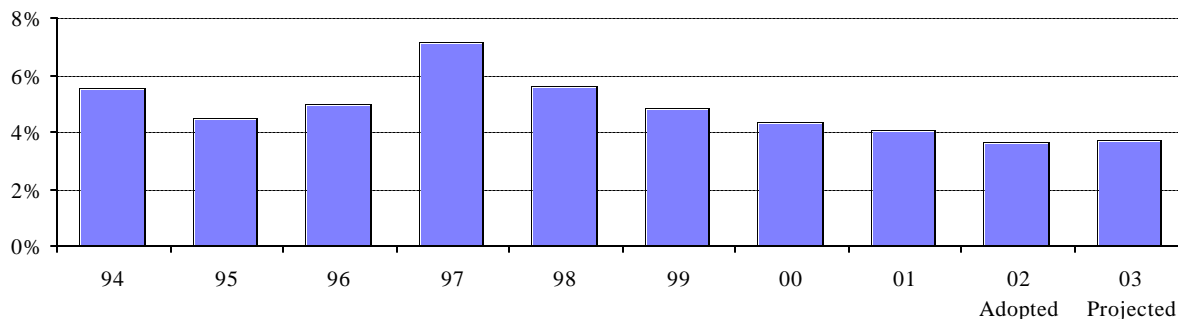
CAPITAL OUTLAY
Capital Outlay as a Percentage of Operating Expenditures



Formula: Capital Outlay Divided by Operating Expenditures

Analysis: The purpose of capital outlay in the operating budget is to replace worn equipment or to add new equipment and infrastructure. The ratio of capital outlay to net operating expenditures is a rough indicator of whether the stock of equipment is being adequately replaced. Over a number of years, the relationship between capital outlay and operating expenditures is likely to remain about the same. If this ratio declines in the short run (one to three years) it may mean that the County's needs are temporarily met, since most of the equipment lasts more than one year. A decline persisting over three or more years can indicate that capital outlay needs are being deferred, which can result in the use of inefficient or obsolete equipment. Local governments tend to eliminate expenditures on capital outlay when revenues are declining in relationship to the government's overall operating expenditures. The substantial increase in 2002 is directly related to the completion of several major projects in new roads funded by impact fees, as well as the final spending plan for the remaining infrastructure sales tax (extra penny) dollars.

DEBT SERVICE
Debt Service as a Percentage of Operating Revenues

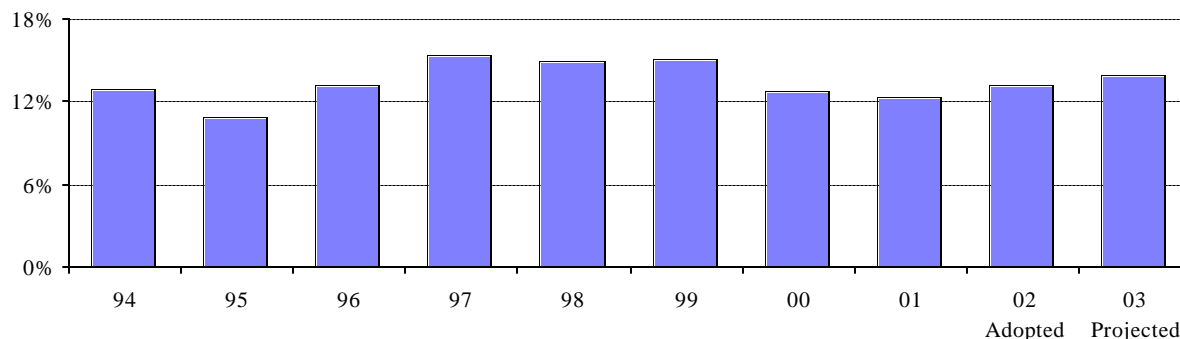


Formula: Annual Debt Service Payments Divided by Operating Revenues

Analysis: Debt Service is defined as the amount of principal and interest that a local government must pay each year on net direct bonded long-term debt, plus the principal and interest it must pay on direct short-term debt. Increasing debt service reduces expenditure flexibility by adding to the County's obligations. Debt service can be a major part of the County's fixed costs and its increase may indicate excessive debt and fiscal strain. Fiscal Years 1997, 1998, and 1999 include principal reductions in short-term lines-of-credit.



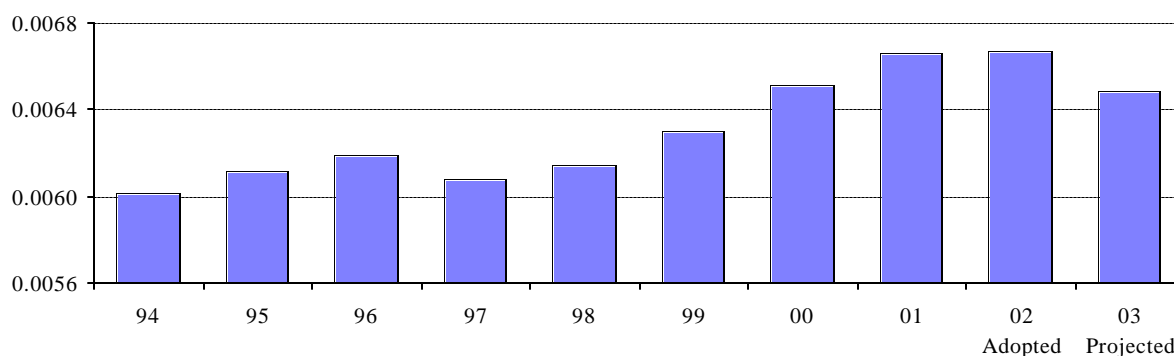
INTERGOVERNMENTAL REVENUES
Intergovernmental Revenues as a Percentage of Operating Revenues



Formula: Intergovernmental Revenues Divided by Operating Revenues

Analysis: Intergovernmental revenues (received from another governmental entity) are important because an over-dependence on such revenues can be harmful if the external source withdraws the funds entirely or reduces its share of costs. Lake County may be left with the choice of cutting programs or paying for them out of the General Fund. In addition, conditions attached to the revenues by the external source may prove too costly; especially if these conditions are changed after the County has already become dependent on the revenues. Nevertheless, the County might want to maximize its use of intergovernmental revenues, consistent with its service priorities and financial condition. Faced with decreases in this source, the County must bear the burden of increasing local taxes if federal and state mandates are passed on to local governments without a corresponding funding source. The concern in analyzing intergovernmental revenues is determining whether the County is controlling its use of the external revenues on a relatively moderately level. The graph shows that Lake County exhibits a stable ratio of intergovernmental revenues to total operating revenues.

PER CAPITA EMPLOYEES
Per Capita County Employees



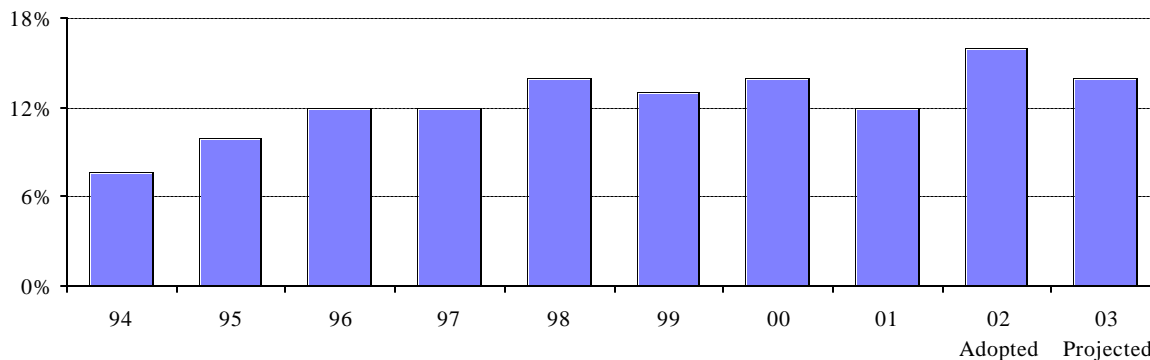
Formula: Number of Employees Divided by Population

Analysis: Because personnel costs are a major portion of an operating budget, plotting changes in the number of employees per capita is a good way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, that the County is becoming more labor intensive, that personnel productivity is declining, or that new services/service levels have been added. Beginning in Fiscal Year 1999, the County recognized a strong population growth, and began to add or expand services as the demand arose. Since 1999, the following major personnel additions have occurred, all related to growth:

Law Enforcement - 52; Fire Rescue - 45; Library Staff - 44; Clerk of Courts - 33; Building Services - 22.



GENERAL FUND RESERVES
Budgeted Reserves as a Percentage of Operating Expenditures



Formula: All Reserves and Contingencies of Adopted Budget Divided by Budgeted Operating Expenses

Analysis: The *actual* Ending Fund Balance of any given year is defined to be "all revenue sources minus all expenditures." This balance is reported in the annual audited financial statements, and reflects the fiscal health of the County at year-end. This fund balance is usually more than the *budgeted* Ending Fund Balance, since many factors affect the outcome of the actual results. It is appropriate to track a comparison of *budgeted* Ending Fund Balances, since this is synonymous with a County's ability to operate during the year.

The size of fund balances can affect the ability of the County to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without borrowing. The County should try to operate each year with reserves sufficient to maintain ongoing operations for a minimum of two months, since the bulk of the General Fund's revenue - property tax - is not due until the end of November.

Nonspecific or general reserves are carried on the books as an unreserved fund balance in the General Fund. Special reserves are maintained in separate contingency accounts. Regardless of the way in which reserves are recorded, an unplanned decline in fund balances may mean that the County will be unable to meet future unexpected needs and emergencies.

The ratio for Fiscal Year 2002 is projected (in this graph) to decline, with less revenues expected from interest earnings and State revenues. In addition, increasing costs for law enforcement to keep pace with the growing population adds to the projected decline.

Since the millage rate for the County is the 10th lowest in the State, the combination of careful planning, budget cuts and prioritization in the annual budget process has helped maintain sufficient reserves.



GOVERNMENT

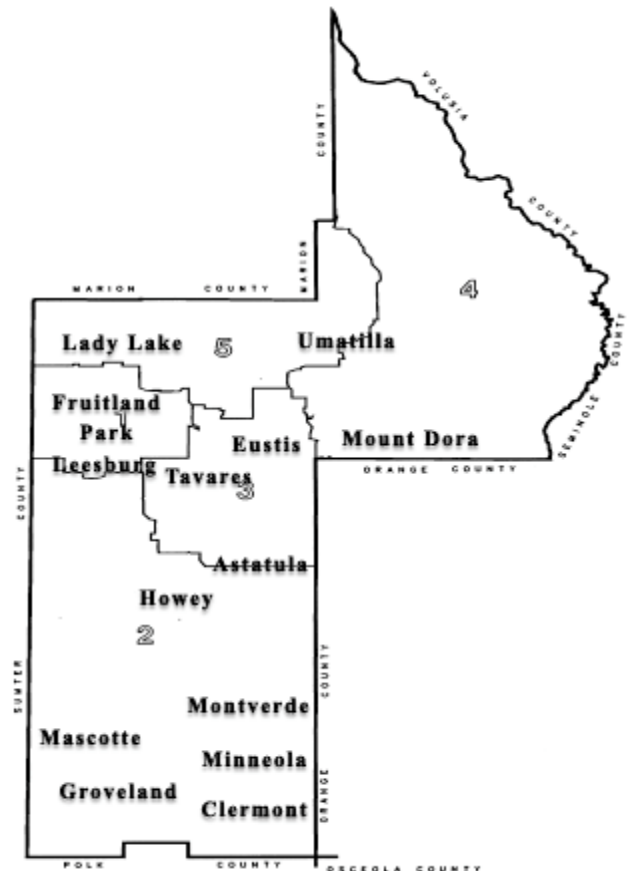
- Created by the Florida Legislature on May 27, 1887.
- Named for its 250 named lakes and 1,735 bodies of water.
- Within the boundaries of Lake County are 14 cities, each of which is governed by a mayor and city council:

Astatula	Howey-in-the-Hills	Montverde
Clermont	Lady Lake	Mount Dora
Eustis	Leesburg	Tavares
Fruitland Park	Mascotte	Umatilla
Groveland	Minneola	

- Lake County is governed by a five-member Board of County Commissioners. The five members are elected countywide, but each represents one district of the County. Each year, the commissioners elect a chairman and vice-chairman.
- A County Manager, who is appointed by and responsible to the Board of County Commissioners, leads the daily operations of the County.

Historical Fact!

Lake County is Florida's 43rd county. It was the first county in the State to organize a County Chamber of Commerce, and it was the first in the United States to have its own county flag.



**LAND USE AND DEVELOPMENT**

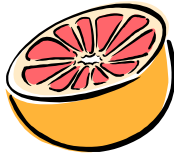
The following table and graphs provide an overview of the geographic characteristics of Lake County.

Geographic Characteristics of Lake County

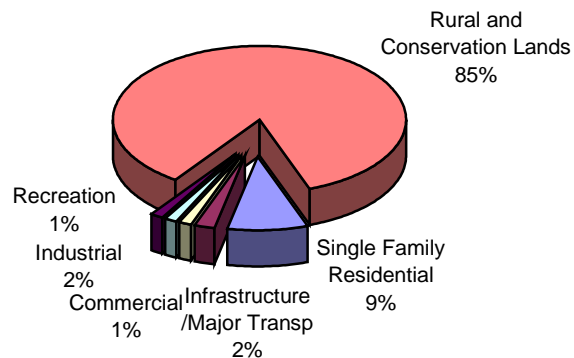
	Land Area	Climate	Topography
Square Miles	1,156.5		
Acres	740,160		
Average Annual Temperature		71°	
Average Annual Rainfall		51"	
Mean Elevation			120 ft.
Highest Point (Surgarloaf Mountain)			300 ft.
Lowest Point (St. Johns River near Astor)			10 ft.

Did You Know?

Until 1983, Lake County was the nation's second largest producer of citrus.

***Land Acreage By Future Land Use
Unincorporated Lake County***

Description	Zoned Acres
Single Family Residential	66,500
Infrastructure/Major Transportation	16,360
Commercial (Retail/Office)	9,950
Industrial	11,004
Recreation	9,300
Rural and Conservation Lands	627,046
Total Acreage	740,160





DEMOGRAPHICS

The following tables depict information related to the population of Lake County.

Population of Lake County

1970	69,305
1980.....	104,870
1990	152,104
1992	162,579
1994	171,168
1996	182,309
1998	196,073
2002	228,349

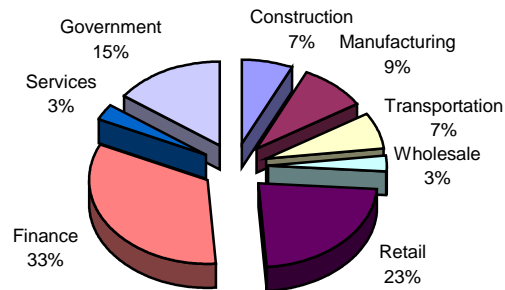
Lake County 2000: Race, Gender & Age Composition

White	184,138
Black or African-American	17,503
Other	8,887
Male	101,866
Female	108,662
Age 0-14.....	35,754
Age 15-44.....	69,139
Age 45-64.....	50,032
Age 65+	55,603

Per Capita Income

1980.....	\$9,869
1998.....	\$22,256
2000.....	\$24,662

Employment By Industry 2001



Lake's Growth Rates

Year	Population	Employment
1980-1990	44.9%	20.1%
1990-2000	38.4%	30.4%
2000-2010	21.7%	24.1%

Lake County's
unemployment has
remained low:

2000

U.S.....	4.50%
Florida	4.50%
Lake.....	2.70%



OTHER STATISTICS

<i>Top Ten Taxpayers in Lake County</i>			
Taxpayer	Type of Business	2002 Assessed Taxable Value	% of Total Assessed Taxable Valuation
Sprint –Florida, Inc.	Public Utility	\$141,600,000	2.04%
Florida Power Corporation	Public Utility	104,161,010	1.30%
Lake Cogen Ltd	Private Power Plant	78,760,330	1.01%
NRG/Recovery Group Inc.	Incinerator	68,530,984	.81%
Sumter Electric Co-op, Inc.	Public Utility	61,070,434	.65%
Cutrale Citrus Juices USA, Inc	Citrus Producer	43,495,056	.64%
Villages of Lake-Sumter, Inc.	Retirement Community	35,884,516	.43%
Summer Bay Partnership	Real Estate Development	31,342,554	.41%
Golden Gem Growers	Citrus Producer	28,854,583	.39%
SDG Macerich Properties, LP	Public Utilities	28,468,422	.34%
Totals		\$622,167,889	8.02%

Source: Lake County Property Appraiser

Library System

Members/Branches	9
Library Materials	285,599
Circulation	801,347
Patrons	67,870

Educational System

Elementary	22
Middle	9
High School	8
Special School	1
Higher Education	1

Top Ten Employers in Lake County

Company	Employees
1. Lake County Public Schools	3,534
2. Village of Lake-Sumter, Inc.	1,900
3. Leesburg Regional Medical Center	1,800
4. Lake County Government	1,523
5. Florida Hospital/Waterman	1,100
6. Sprint	719
7. Golden Gem Growers	609
8. Lester Coggins Trucking, Inc.	500
9. Lake Port Square	400
10. Dura Stress, Inc.	384

Source: Economic Development Commission of Mid-Florida, Inc.

**ECONOMIC INDICATORS**

The health of the local economy is a major determinant of the fiscal condition of the County. A growing economy, new development and rising incomes all contribute to county revenues. Falling incomes, or slowing growth, could have a major negative effect on the County's finances. Because of the significance of the local economy in fiscal planning, the following key indicators are included in this document as an early warning system for future financial problems.

Economic Outlook

The economic health of the County continues to follow national trends, showing a slowing of economic growth during the past year. Through the end of the fourth quarter of 2001, the gross domestic product (GDP) is expected to decline by 2.8%, and rebound by the fourth quarter of 2002 to the 3.2% growth level. Locally, the County created the Jobs Growth Incentive Programs in 1995 to assist business expansion and relocation deemed to be economically significant to the area. Over \$2 million of these funds have been used since then, to assist almost twenty projects. These projects created over 1,250 new jobs, invested over \$61 million in capital, and occupied over 2 million square feet of space. In addition, interest rates remain relatively low. Anticipating this, the County took steps to lengthen its investment portfolio in 1996 by investing in U.S. Treasury securities with maturities of six months to two years. This strategy will be continued in 2002. Interest rates that will be earned on these investments range from 2.74% to 6.01%. Other excess funds are invested in the State of Florida Local Government Surplus Funds Trust Fund, commonly referred to as the SBA. This is essentially a money market fund whose rates ranged from a high of 5.75% to a low of 5.50%.

Another economic factor that is important to the budget process is the consumer price index (CPI). This measure of the average change in prices over time in a fixed market basket of goods and services gives us an indication of price increases for the upcoming year. The annual inflation increase has been around 1.9%, which has been an important factor in controlling costs.

The current combination of growing economy, moderately low interest rates and moderately low inflation make the outlook for continued growth favorable for the coming years. Lake County reflects these general economic conditions as indicated by the statistics below.

Lake	1998	1999	2000	2001 Estimate	2002 Projected	2003 Projected
Population	195,978	203,845	210,528	220,478	228,349	234,873
% Change	4.1	4.0	3.3	4.0	2.9	2.9
Gross Sales (\$000's)	3,198,391	3,535,138	3,970,227	4,158,082	4,345,196	4,540,729
Employment in Lake County	60,550	61,225	64,372	64,837	65,889	67,370
% Change	4.3	1.1	5.1	.7	1.6	2.2
Income (\$billions)	4.9	5.8	7.0	8.2	9.4	10.6
Unemployment Rate	3.4	2.7	2.7	3.7	6.7	6.8
Total Housing Starts	3,284	3,998	5,117	3,963	3,333	3,246
Single Family	2,917	3,405	3,863	3,250	2,753	2,913
Multi-family	367	593	1,225	713	580	332
Business Start-ups	2,012	2,162	2,234	2,323	2,416	2,512



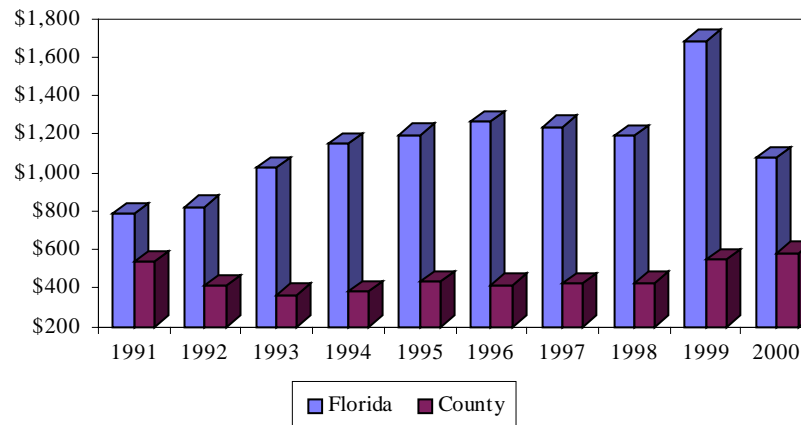
Ranking of Florida Counties

This fiscal comparison offers a different perspective of how well each county in Florida manages its financial resources. By comparing with other counties, finance officers and other county officials supplement traditional “rules of thumb” with empirical data when formulating financial policy decisions.

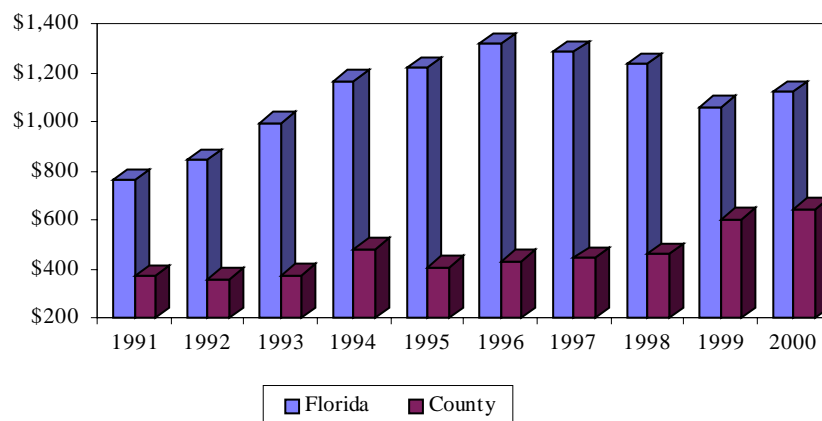
The basic purpose of this data is to allow the Board and Citizens to evaluate Lake County’s financial condition in relation to other Florida counties. The most current available data from the Department of Banking and Finance is through Fiscal Year 2000.

The inclusion of this data in the County’s financial indicators marks a major step forward for county officials who wish to answer the inevitable question “How do we compare?” It provides Lake County with an important tool for analysis and communication. As seen in the graphs below, Lake County’s per capita revenues and expenditures are well below the statewide average. Whereas statewide trends seem to be steadily increasing, the County’s trends remain relatively constant, except for the 1991 increase in judicial expenditures.

Expenditures Per Capita



Revenues Per Capita

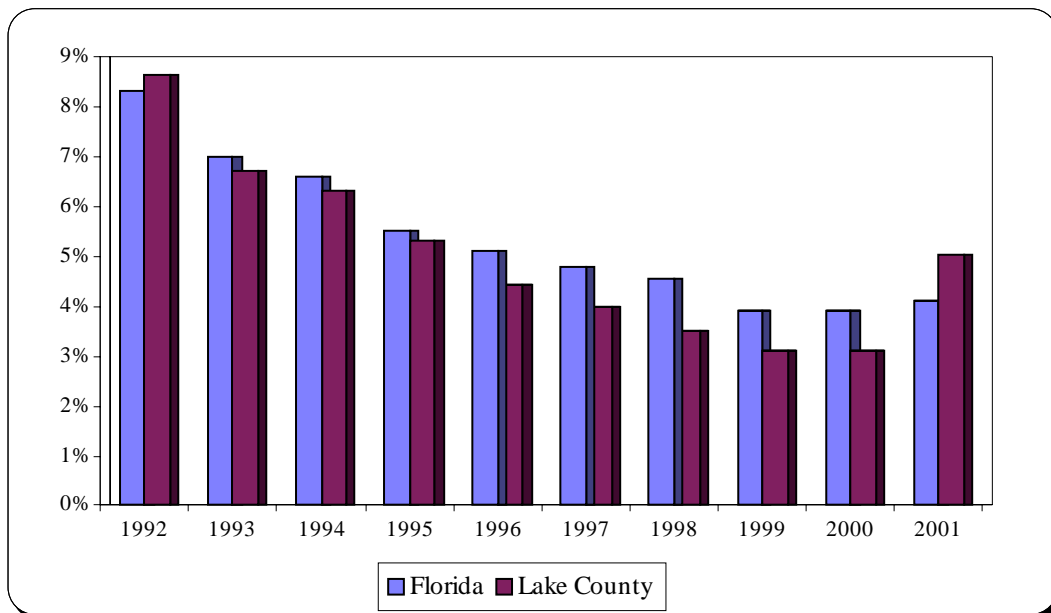




Unemployment Rates

Unemployment rates are a traditional indicator of the relative economic health of the County. Consumers who lose their jobs curtail spending in response to the loss of income, while others who remain employed may curtail spending in anticipation of future job losses. As a result, even small increases in unemployment, accompanied by a loss of consumer confidence, can have a major impact on sales tax dependent revenue sources. Changes in unemployment affect all of the revenue sources associated with the purchase of goods and services: state revenue sharing, local government sales tax, infrastructure sales surtax, local option gas tax, county gas tax, local option resort tax, and franchise fees. These sources of revenue depend on personal consumption; that is, the willingness of consumers to purchase goods.

Lake County's high unemployment rate for FY 1992 is reflective of the County's dependence on the citrus industry and the freeze that occurred in 1989. Lake County's rates from 1993 have paralleled that of Florida and the U.S. and indicates less of a dependence on any one industry.





The revenue sources summarized below and on the following pages represent the major sources of revenues for Lake County. The comparisons on the following pages are for a five-year period, and each analysis shows the percentage of that revenue source to the total revenues of the fund in which it is budgeted.

The combined revenues which are featured in the graphics section comprise over 75% of the total current revenues of all funds (excluding interfund transfers) in both Fiscal Years 2002 and 2003.

CURRENT YEAR MAJOR REVENUE SOURCES BY FUND
Excluding Interfund Transfers
FISCAL YEARS 2002 AND 2003

REVENUE SOURCE	FY 2002 Adopted	% of Operating Budget	FY 2003 Approved	% of Operating Budget
General Fund				
Ad Valorem Taxes	\$ 41,374,110	26.8%	\$ 45,097,781	28.8%
State Sales Tax	8,925,280	5.8%	9,460,797	6.0%
State Revenue Sharing	3,835,283	2.5%	4,027,047	2.6%
Housing Orange County and Federal Prisoners	2,200,000	1.4%	2,200,000	1.4%
Road Impact Fee Fund				
Road Impact Fees	10,445,583	6.8%	12,052,740	7.7%
County Transportation Trust Fund				
Constitutional Gas Tax	2,799,037	1.8%	2,938,990	1.9%
Local Option Gas Tax	4,233,326	2.7%	4,296,826	2.7%
Infrastructure Sales Tax Fund				
Infrastructure Surtax	11,500,000	7.4%	3,074,141	2.0%
County Fire Control Fund				
Fire and Rescue Assessment	7,441,899	4.8%	7,813,994	5.0%
Landfill Enterprise Fund				
Solid Waste Disposal Fees	16,378,419	10.6%	17,476,461	11.2%
Building Services Fund				
Building Permits	4,312,511	2.8%	4,174,385	2.7%
Other Sources				
Interest Revenue	3,672,019	2.4%	3,802,880	2.4%
Federal and State Housing Assistance Grants	3,306,844	2.1%	3,331,718	2.1%
Other Revenues	34,168,854	22.1%	36,795,928	23.5%
Total Operating Revenues, excluding Transfers	<u>\$ 154,593,165</u>	<u>100.0%</u>	<u>\$ 156,543,688</u>	<u>100.0%</u>



CURRENT YEAR MAJOR REVENUE SOURCES BY CATEGORY

Excluding Interfund Transfers
FISCAL YEARS 2002 AND 2003

REVENUE SOURCE	FY 2002 Adopted	% of Operating Budget	FY 2003 Approved	% of Operating Budget
Taxes				
Ad Valorem Taxes - General Fund	\$ 41,374,110	26.8%	\$ 45,097,781	28.8%
State Sales Tax	8,925,280	5.8%	9,460,797	6.0%
Local Option Gas Tax	4,233,326	2.7%	4,296,826	2.7%
Infrastructure Surtax	11,500,000	7.4%	3,074,141	2.0%
Fire and Rescue Assessment	7,441,899	4.8%	7,813,994	5.0%
Licenses and Permits				
Building Permits	4,312,511	2.8%	4,174,385	2.7%
Intergovernmental Revenues				
State Revenue Sharing	3,835,283	2.5%	4,027,047	2.6%
Constitutional Gas Tax	2,799,037	1.8%	2,938,990	1.9%
Federal and State Housing Assistance Grants	3,306,844	2.1%	3,331,718	2.1%
Charges for Services				
Housing Orange County and Federal Prisoners	2,200,000	1.4%	2,200,000	1.4%
Solid Waste Disposal Fees	16,378,419	10.6%	17,476,461	11.2%
Miscellaneous Revenues				
Road Impact Fees	10,445,583	6.8%	12,052,740	7.7%
Interest Revenue	3,672,019	2.4%	3,802,880	2.4%
Other Sources				
Other Revenues	34,168,854	22.1%	36,795,928	23.5%
Total Operating Revenues, excluding Transfers	<u>\$ 154,593,165</u>	<u>100.0%</u>	<u>\$ 156,543,688</u>	<u>100.0%</u>

Florida Statutes (Section 218.33) require that County governments use the Uniform Accounting System Chart of Accounts developed by the State Department of Banking and Finance. The following revenue categories are defined in the State Uniform Accounting System Manual.

Taxes. Charges levied by the local unit against the income or wealth of a person, natural or corporate.

Licenses and Permits. Revenues derived from the issuance of local licenses and permits.

Charges for Services. All revenues stemming from the charges for current services, excluding revenues of Internal Service Funds. Record all revenues related to services performed whether received from private individuals or other governmental units.

Fines and Forfeits. Revenues received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Forfeits include revenues resulting from confiscation of deposits or bonds held as performance guarantees and proceeds from the sale of contraband property seized by law enforcement agencies pursuant to Section 932.701, Florida Statutes.

Miscellaneous Revenues. Revenues from sources not otherwise provided for in the above series of accounts. This category includes, but is not limited to, Impact Fees and interest earnings.

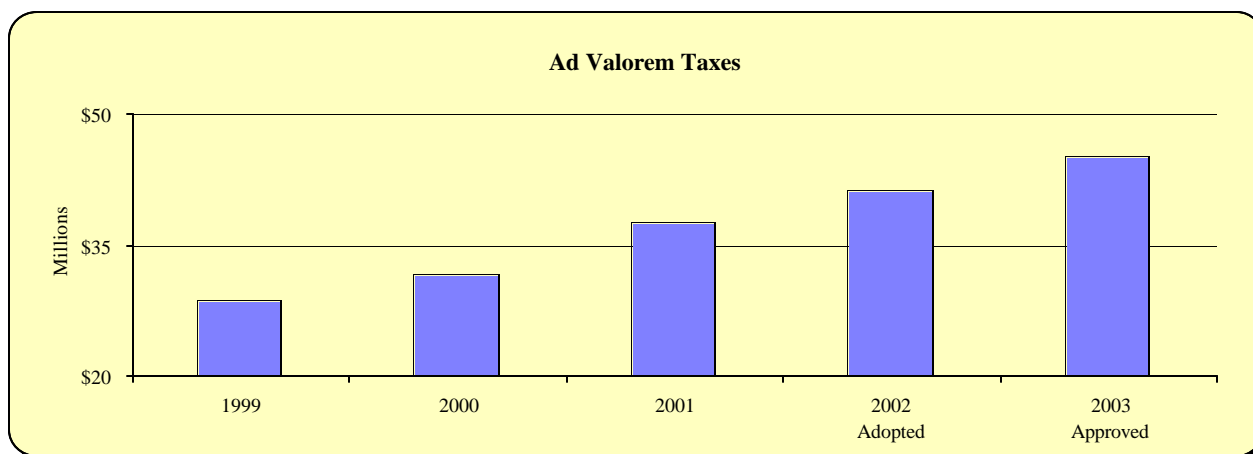


Fiscal Years 2002 and 2003

Major Revenue Sources

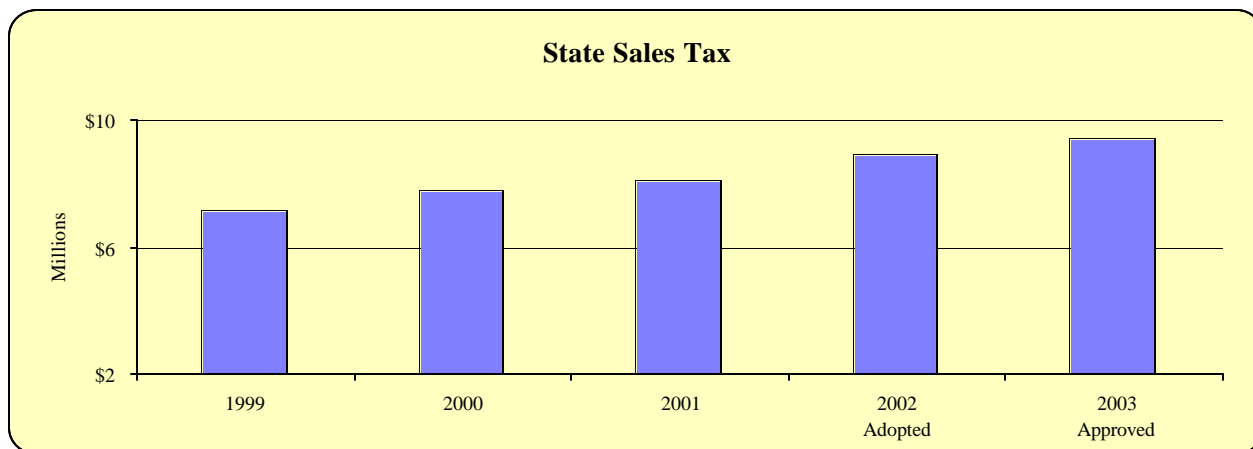
Ad Valorem Taxes (General Fund). Chapter 192, Florida Statutes, empowers the Property Appraiser to assess all property located within the County, except inventory. Upon completion of the assessment, the Property Appraiser certifies the taxable value to the County by July 1. The final amount of property taxes is determined at the last budget public hearing in September when the Board of County Commissioners established the final millage rate. The amount of taxes assessed is the product of the millage rate times the assessed valuation. The millage rate was increased in FY 2001 from 4.733 mills to 5.117 mills primarily to address costs for public safety, library expansions, and unfunded mandated State costs and State revenue reductions. The assessed taxable value of Lake County properties increased 10% in each of the Fiscal Years 01 and 02. The County's building permit charts indicate a 9% growth in FY 2003. Of particular interest is the County's increasing dependency on property taxes to fund general countywide expenses.

	Actual Collections			Adopted	Approved
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Ad Valorem Taxes - Current	\$28,723,415	\$31,699,946	\$37,587,262	\$41,374,110	\$45,097,781
% of General Fund Revenues	50%	50%	51%	60%	62%



State Sales Tax (General Fund). Created in 1982, the Local Government Half-Cent Sales Tax program is a state-shared revenue of general sales and use tax. Estimates are provided by the State. The program consists of distributions to counties and municipalities pursuant to Part I of Chapter 212, Florida Statutes. This source of General Fund revenue has increased annually from a high of 8% in Fiscal Years 1998 and 1999 to a projected 6% in Fiscal Year 2003.

	Actual Collections			Adopted	Approved
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
State Sales Tax	\$ 7,135,107	\$ 7,771,601	\$ 8,100,498	\$ 8,925,280	\$ 9,460,797
% of General Fund Revenues	12%	12%	11%	13%	13%



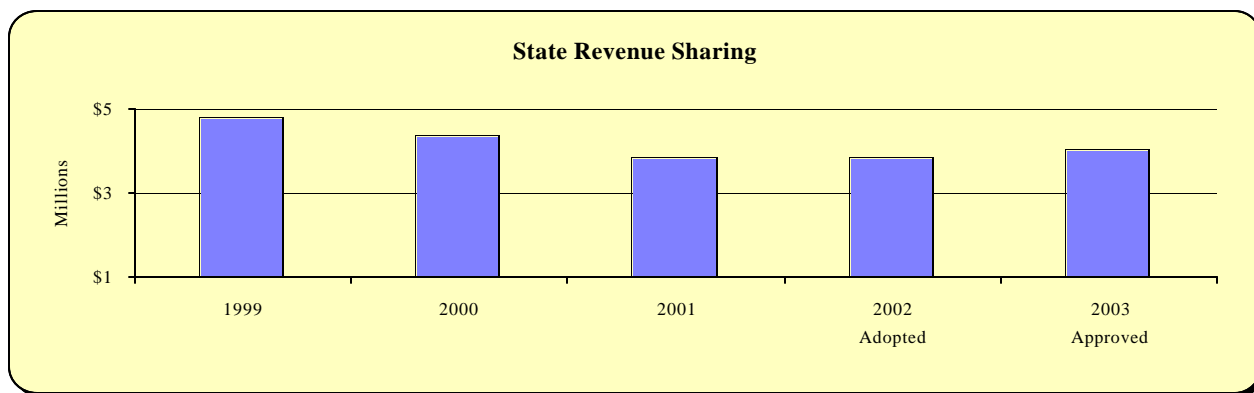


Fiscal Years 2002 and 2003

Major Revenue Sources

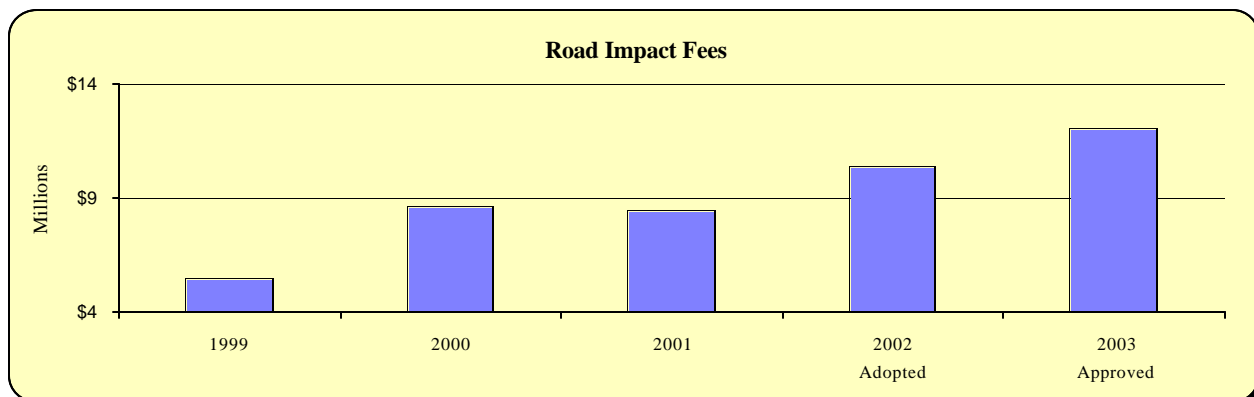
State Revenue Sharing (General Fund). The State Revenue Sharing program is administered by the State Department of Revenue. Prior to FY 2000, the State Revenue Trust Fund consisted of 2.9% of cigarette tax collections and 33.5% of net intangible tax collections. In the State's FY 2000 (which began July 1), the law was amended to change the revenue source for the Trust Fund: 2.9% of net cigarette tax collections and 2.25% of sales and use tax collections. The funds are distributed monthly to counties based on a three-factor formula consisting of total county population, unincorporated area population, and county sales tax collections. As a result of the changes in funding distribution, Lake County received more than \$1,000,000 less in FY 01 than in FY 99. Since 97% of the total Revenue Sharing dollars are from the sales and use tax collections, counties throughout the State will be monitoring monthly distributions closely.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
State Revenue Sharing	\$ 4,814,442	\$ 4,372,898	\$ 3,863,202	\$ 3,835,283	\$ 4,027,047
% of General Fund Revenues	8%	7%	5%	6%	6%



Road Impact Fees (Road Impact Fee Fund). County Ordinance 1985-1 was adopted to regulate the use and development of land in order to ensure that new development bears a proportionate share of the cost of capital expenditures necessary to provide roads in Lake County and are collected on new dwellings. All revenues collected from road impact fees are used exclusively for capital improvements within the road benefit district from which the funds were collected. Except for FY 2001, revenues from this fee have been increasing steadily at about a 15% rate since 1999. Estimates are based on projections of new housing and commercial permits.

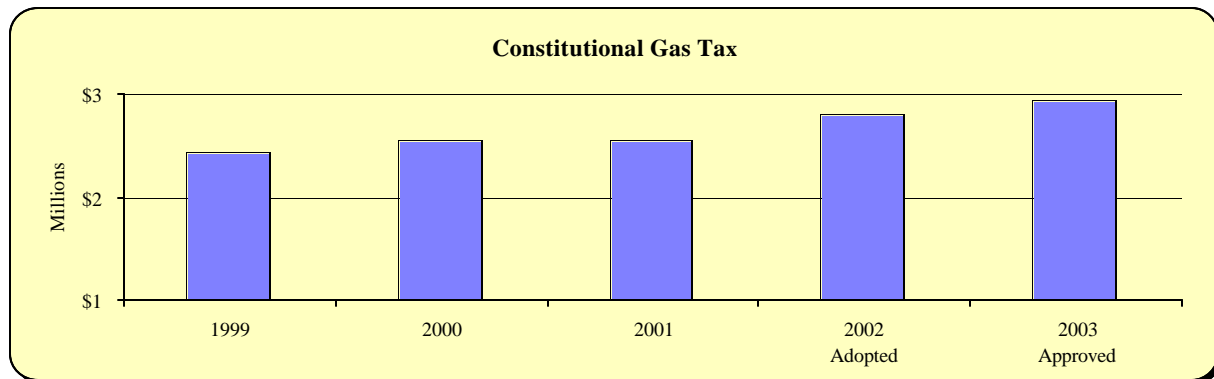
	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Road Impact Fees	\$ 5,506,081	\$ 8,632,296	\$ 8,432,284	\$ 10,445,583	\$ 12,052,740
% of Road Impact Fee Fund Revenues	91%	92%	88%	93%	93%





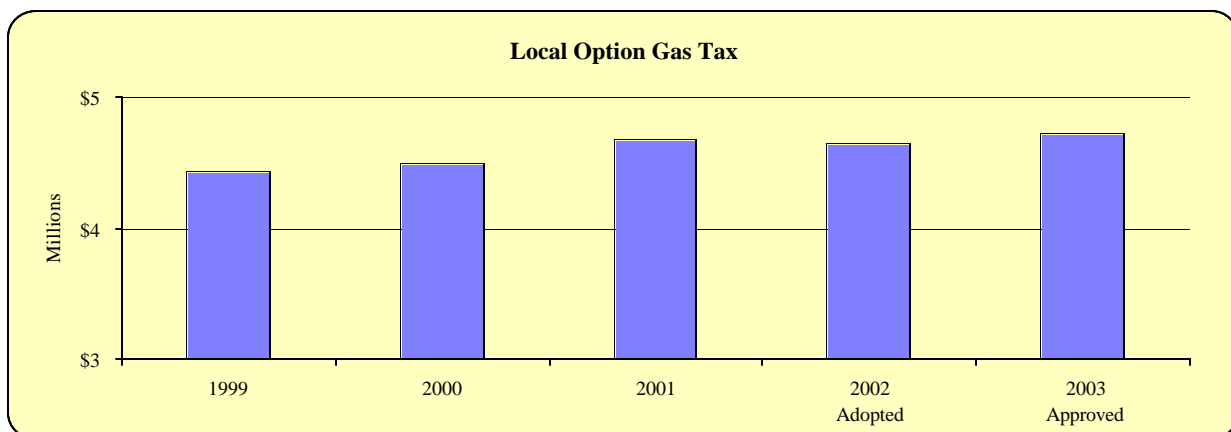
Constitutional Gas Tax (County Transportation Trust Fund). This is a two-cent tax imposed on every gallon of motor fuel and special fuel sold at the wholesale level. Use of the proceeds is restricted to the acquisition, construction and maintenance of roads. The tax is administered by the Florida Department of Revenue and distributed to the State Board of Administration (SBA). The distribution is divided into an 80% portion and a 20% portion. The SBA uses the 80% portion to fund debt service requirements of bond issues pledging Constitutional Base Tax receipts as funding. If there are no debt service requirements, or if there is a surplus from the 80% portion, it is distributed to the County on a monthly basis. The 20% portion is distributed directly to the County. The percentage annual growth in this source averages approximately 5% annually; receipts for September 2001 were unusually low.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Constitutional Gas Tax	\$ 2,445,571	\$ 2,550,956	\$ 2,554,813	\$ 2,799,037	\$ 2,938,990
% of County Transp. Trust Fund Rev.	24%	25%	24%	25%	25%



Local Option Gas Tax (County Transportation Trust Fund). The Local Option Gas Tax is a six-cent tax imposed on every gallon of motor fuel and special fuel sold at the retail level. Use of the proceeds is restricted to transportation expenditures. The tax is administered by the Florida Department of Revenue, which distributes monthly to the County and the various municipalities within the County based on interlocal agreements. Because Lake County borders a larger Orlando metropolitan area in which residents may purchase gasoline, the Department of Public Works has taken a leadership role in promoting the purchase of gasoline within our own county. The actual collections increase slightly each year. Projections for FY 02 and FY 03 were based on a state-derived formula.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Local Option Gas Tax	\$ 4,071,528	\$ 4,119,273	\$ 4,260,313	\$ 4,233,326	\$ 4,296,826
% of County Transp. Trust Fund Rev.	39%	40%	40%	38%	38%



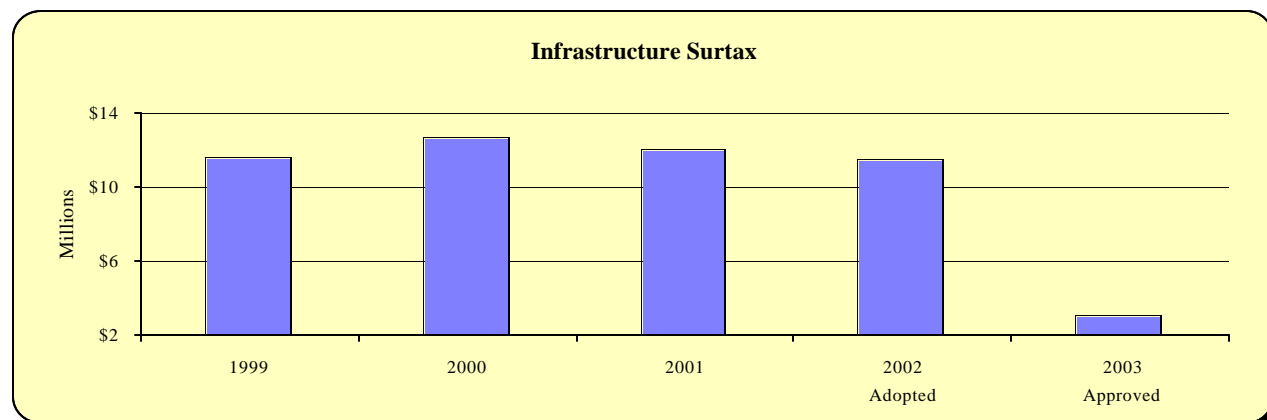


Fiscal Years 2002 and 2003

Major Revenue Sources

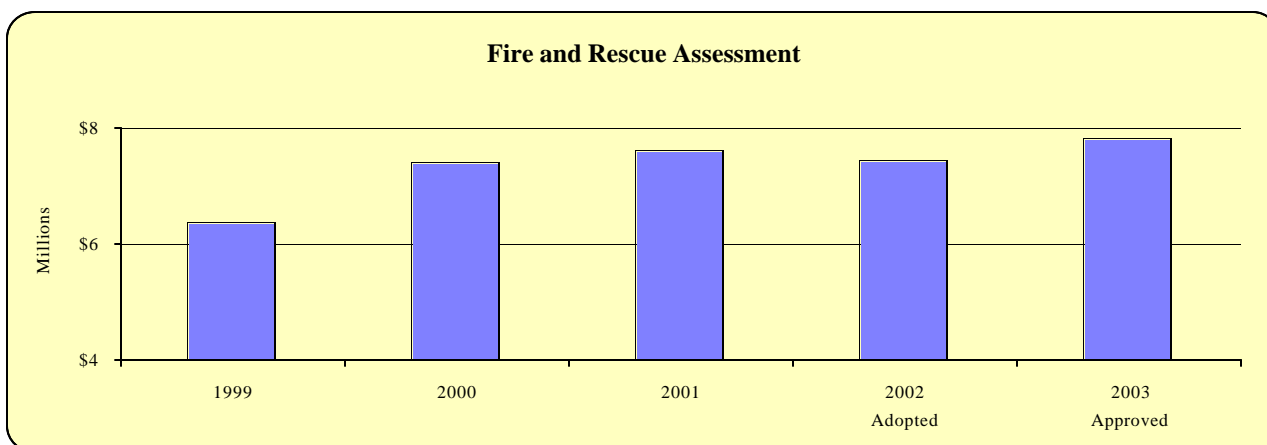
Infrastructure Surtax (Infrastructure Sales Tax Fund). Local governments are authorized to levy a discretionary sales surtax pursuant to Section 212.055 (2), Florida Statutes. The 1% levy began January 1, 1988, as a result of a countywide referendum, in order to finance the construction of jail and court facilities, the renovation of the Historical Courthouse and Administration Building, and other capital projects, such as those at the County landfill. The extra penny tax is divided between the County (67%) and the cities pro rated by population (33%). This budget reflects revenues expected to be collected as of September when the budget was adopted. [NOTE: As a subsequent event, in November, voters approved the 1% renewal; proceeds will be split equally with the County (1/3), the cities (1/3) and the School Board (1/3). The County expects to receive approximately \$7 million in FY 03 which is not reflected in the dollars below.]

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Infrastructure Surtax	\$ 11,596,507	\$ 12,650,989	\$ 12,096,582	\$ 11,500,000	\$ 3,074,141
% of Infrast. Sales Tax Fd. Rev.	99.9%	99.9%	99.9%	99.9%	99.9%



Fire and Rescue Assessment. (County Fire Control Fund). County Ordinance 1984-9 created a municipal taxing unit to provide fire protection in the unincorporated areas of Lake County, as well as cities of Lady Lake, Minneola, Howey-in-the-Hills, and Astatula. For FY 02, the residential assessment rate increased from \$90 to \$94.50 per single family dwelling and the commercial rate increased at a comparable incremental rate. The assessment is projected to be \$100 in FY 03. The budget for FY 02 is a conservative estimate based on recalculating some of the commercial structures.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Fire & Rescue Assessment	\$ 6,396,213	\$ 7,410,754	\$ 7,605,510	\$ 7,441,899	\$ 7,813,994
% of County Fire Contr. Fd. Rev.	86%	90%	96%	92%	92%



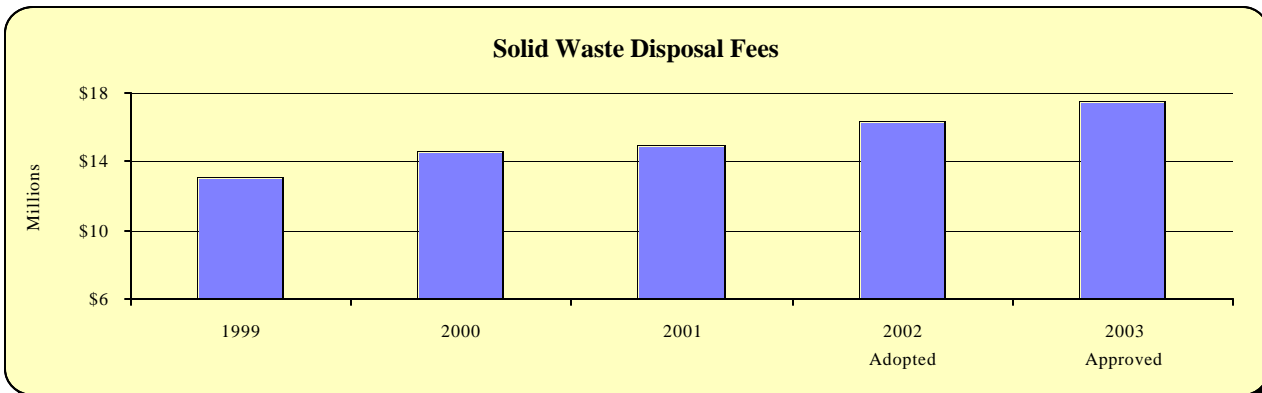


Fiscal Years 2002 and 2003

Major Revenue Sources

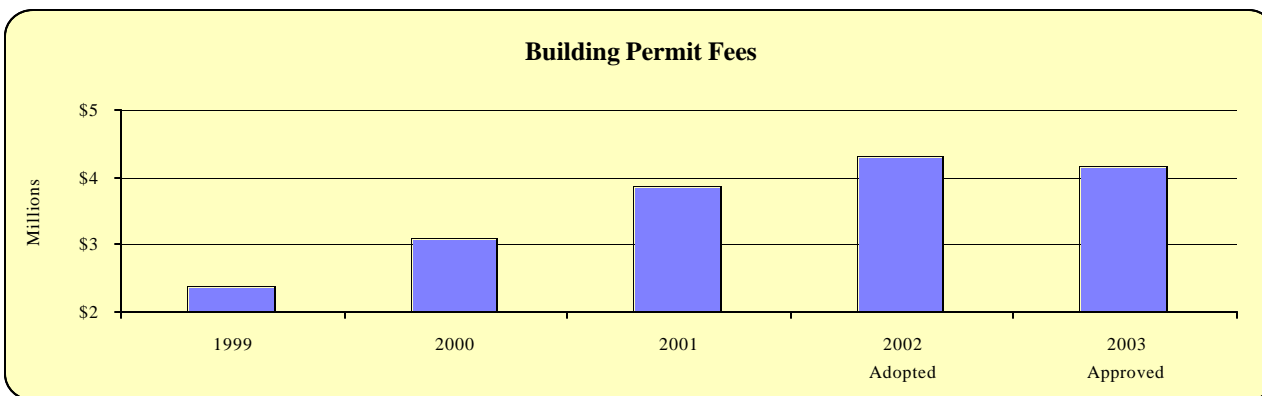
Solid Waste Disposal Fees (Landfill Enterprise Fund). By enacting Ordinance 1988-14, the County established a method of levying and collecting a non ad valorem assessment upon owners of improved real property in the County to provide for the collection and disposal of solid waste. The Board of County Commissioners adopted a new fee schedule for Fiscal Year 2002 in order to meet increasing debt payments to the owners of the solid waste incinerator. The solid waste disposal rate increased from \$90.46 to \$107.50 per residential household, and self-haul rates increased from \$13.06 to \$25. During Fiscal Year 2002, the County will be considering changing the method of collection of disposal fees.

	Actual Collections			Adopted	Approved
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Solid Waste Disposal Fees	\$ 13,050,936	\$ 14,629,766	\$ 15,015,040	\$ 16,378,419	\$ 17,476,461
% of Landfill Ent. Fund Revenues	88%	87%	91%	93%	93%



Building Permits (Building Services Fund). Building permit revenue is derived from fees paid by contractors and individual home builders. These fees are intended to offset the cost of inspections made to ensure that construction meets federal, state and local building code requirements. The County collects permit fees only for construction occurring in the unincorporated areas of Lake County. In July 2000, permitting fees were increased to support staff necessary to maintain the quality level of service in the rapidly growing community. The growth rate is expected to slightly decline in FY 03.

	Actual Collections			Adopted	Approved
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Building Permits	\$ 2,380,154	\$ 3,110,133	\$ 3,876,862	\$ 4,312,511	\$ 4,174,385
% of Building Services Fund Rev.	86%	86%	89%	94%	96%



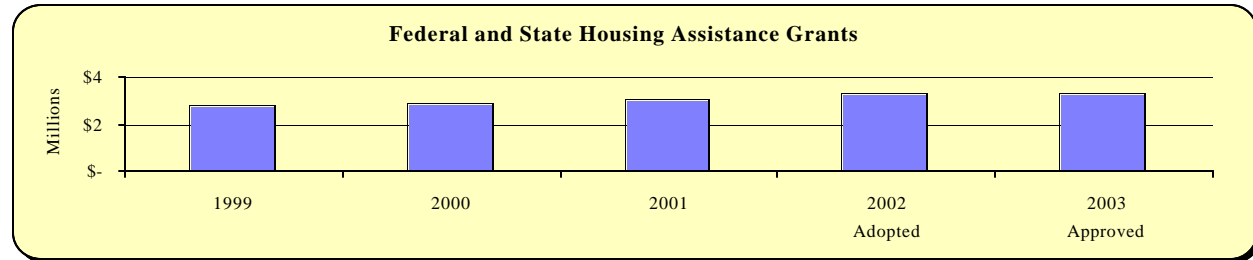


Fiscal Years 2002 and 2003

Major Revenue Sources

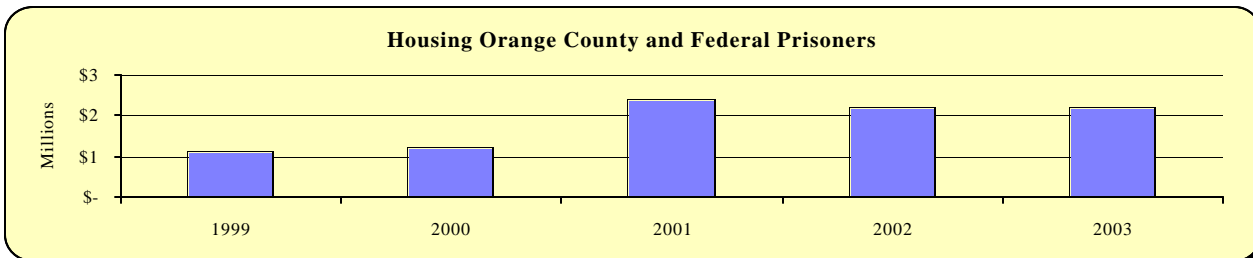
Federal and State Housing Assistance Grants (Community Services). The *Section 8 Housing Grant* provides housing assistance to qualified persons in accordance with a grant from the U.S. Department of Housing and Urban Development. The Affordable Housing Fund accounts for revenues received from the State Housing Initiative Partnership Program pursuant to Sections 420.9072 through 420.9079, Florida Statutes. These dollars are awarded to counties based on a federal or state formula.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Housing Assistance Grants	\$ 2,767,950	\$ 2,902,873	\$ 3,056,838	\$ 3,306,844	\$ 3,331,718
% of Total Housing Asst. Fd.	99%	99%	99%	99%	99%



Housing Orange County and Federal Prisoners (General Fund). Through interlocal agreements with Orange County, Florida, the Federal Bureau of Prisons, and the United States Marshals Service, the County provides space for inmates at an established rate per inmate per day. Contracts are renewed annually; estimates are based on jail capacity.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Housing Prisoners	\$ 1,140,269	\$ 1,240,690	\$ 2,432,262	\$ 2,200,000	\$ 2,200,000
% of General Fund Revenues	2%	2%	3%	3%	3%



Interest Revenue (All Funds). The County is a member of the Local Government Surplus Funds Trust Fund that is administered by the State Board of Administration of Florida (SBA). Approximately 75% of the County's surplus funds are invested with the SBA. The remaining 25% consist of short-term U.S. Treasury Bills and Notes, U.S. Agencies, Repurchase Agreements, and the Florida Local Government Investment Trust. Estimates are based on projected lower interest rates.

	Actual Collections			Adopted	Approved
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Interest Revenue	\$ 3,922,249	\$ 5,768,526	\$ 6,968,052	\$ 3,672,019	\$ 3,802,880
% of Total Budget (Actual)	3%	4%	4%	3%	3%

